

# SENATE BILL REPORT

## HB 3281

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As Reported By Senate Committee On:  
Government Operations & Elections, February 28, 2008

**Title:** An act relating to public notification of industrial development levies by port districts.

**Brief Description:** Requiring public notification of industrial development levies by port districts.

**Sponsors:** Representatives Seaquist, Rolfes, Lantz, Appleton and Santos.

**Brief History:** Passed House: 2/15/08, 93-1.

**Committee Activity:** Government Operations & Elections: 2/28/08 [DPA].

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Majority Report:** Do pass as amended.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Roach, Ranking Minority Member; Benton, Kline, McDermott and Pridemore.

**Staff:** Sharon Swanson (786-7447)

**Background:** A port commission (commission) has the authority to create industrial development districts (IDD) within the boundary of a port district if the commission determines that the creation of an IDD is proper and desirable in establishing and developing a system of improvements and industrial development in the port district. Port districts have the authority to enact an IDD levy. An IDD levy is limited to six years and cannot be renewed. Ports are limited to two uses of the six-year IDD levy during the port lifetime. Funds raised through an IDD levy may be used for capital investment and improvements, acquisition and development, environmental work, and debt service within a commission designated IDD for development of port properties and facilities. This tax levy affects only the port's portion of property taxes, raising it by 45 cents per \$1,000 on the assessed value of property located within the port district. The levy averages about \$135 annually for a \$300,000 property value, or \$11.25 per month.

**Summary of Bill (Recommended Amendments):** A port district, intending to implement a tax under an industrial development district levy (IDD), is required to hold a public hearing within 20 days of publication of notice of the intention. Additionally, the port commission must provide notice of the public hearing in the official newspaper of record in the county in which the port district is located at least 10 days prior to the date of the public hearing. The notice must clearly state that the port district intends to levy a tax and must contain the date, time, and location of the port district meeting at which the levy will be considered and voted

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upon. If the levy is the second and final levy authorized for the IDD, the notice must clearly state that the public may, within 90 days of publication of the notice, gather a petition to submit the levy to the voters of the port district for approval.

**EFFECT OF CHANGES MADE BY GOVERNMENT OPERATIONS & ELECTIONS (Recommended Amendments):** Language is added requiring the inclusion of a statement on the ballot describing the amount the measure will increase or decrease taxes.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Current law is inadequate with respect to the public notice requirements for tax increases by the ports. Citizens are entitled to better notice of proposed port tax levies and should be given a more meaningful opportunity to be heard. The Port of Bremerton recently imposed a tax levy for industrial development that most citizens were unaware of until it was too late. The voters were unhappy about it and they reacted by voting down a school tax levy that might otherwise have passed.

**Persons Testifying:** PRO: Representative Seaquist, prime sponsor.